

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY KINSHASA IMMEDIATE

AMCONSUL LUANDA

INFO AMEMBASSY BRUSSELS IMMEDIATE

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E.O. 11652:N/A

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TAGS: PFOR, CG

SUBJECT: PRESS GUIDANCE ON ZAIRE ECON PACKAGE

1. FOLLOWING IS PRESS GUIDANCE PREPARED FOR USE BY
DEPARTMENT SPOKESMAN IN RESPONDING TO QUESTIONS ABOUT
ZAIRE AID PACKAGE RAISED BY GELB ARTICLE IN SEPT. 25
NEW YORK TIMES ON ASSISTANCE TO ANGOLA AND PORTUGAL
(EXCERPTS CABLED REFTEL). ZAIRE AID PACKAGE WAS NOT
DISCUSSED IN SEPT. 25 DEPARTMENT PRESS BRIEFING.

2. TEXT OF GUIDANCE:

Q: IS THE US TRYING TO BUY PRESIDENT MOBUTU'S GOOD WILL
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WITH A FINANCIAL AID PACKAGE AND BY SEEKING TO

ARRANGE A REFINANCING OF HUNDREDS OF MILLIONS OF DOLLARS
IN ZAIRE'S SHORT-TERM DEBT?

A: NO. WE ARE TRYING TO HELP ZAIRE BECAUSE IT IS AN
IMPORTANT COUNTRY IN AFRICA AND ONE WITH WHICH WE HAVE
ALWAYS HAD CLOSE RELATIONS. DUE TO A VERY SHARP FALL IN
THE PRICE OF COPPER, ZAIRE'S EARNINGS IN 1975 WILL BE
ABOUT A THIRD BELOW WHAT THEY WERE IN 1974. THIS,
COMBINED WITH OTHER FACTORS, HAS CREATED A TEMPORARY BUT

SERIOUS BALANCE OF PAYMENTS PROBLEM FOR THE COUNTRY.
TO HELP ZAIRE MEET ITS CRITICAL IMPORT NEEDS UNTIL ITS
OWN AUSTERITY MEASURES AND A REVIVAL IN COPPER PRICES
HAVE BROUGHT ITS FOREIGN PAYMENTS BACK INTO BALANCE, WE
ARE PLANNING TO PROVIDE ASSISTANCE IN
COMMODITY FINANCING; PART OF THIS WILL REQUIRE
CONGRESSIONAL APPROVAL.

WE ARE NOT SEEKING TO ARRANGE REFINANCING OF ZAIRE'S
DEBT. WE HAVE, HOWEVER, MAINTAINED REGULAR CONTACT
WITH US BANKS AND COMPANIES ENGAGED IN ZAIRE TO KEEP
THEM ABREAST OF THE FINANCIAL SITUATION THERE AND THE
MEASURES THAT ARE BEING TAKEN TO DEAL WITH IT.

Q: WHY SHOULD WE ALWAYS BE THE ONES TO PROVIDE THE
SAFETY NET WHEN THESE COUNTRIES TAKE A FALL? ISN'T THIS
JUST A WAY OF BUYING MOBUTU OFF--OF GETTING HIM TO DROP
THE CHARGES HE MADE IN JUNE ABOUT US INVOLVEMENT IN AN
ASSASSINATION ATTEMPT AGAINST HIM?

A: ABSOLUTELY NOT. ZAIRE HAS ENORMOUS DEVELOPMENT
POTENTIAL AND IS OF GREAT INTEREST TO US AND OTHER
WESTERN INVESTORS. US BANKS AND COMPANIES HAVE A
SUBSTANTIAL FINANCIAL STAKE IN THE COUNTRY. WE THINK
IT MAKES SENSE TO HELP ZAIRE THROUGH A TEMPORARY CRISIS
WHICH, IF NOT DEALT WITH, COULD DISRUPT ITS ECONOMY
AND SET BACK ITS DEVELOPMENT SERIOUSLY.

WE ARE NOT ALONE. ZAIRE IS CONSULTING CLOSELY WITH THE
IMF AND HAS ALREADY GOTTEN SOME RELIEF FROM FRANCE AND
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ABU DHABI. WE EXPECT OTHERS TO JOIN IN TOO.

Q: BUT DIDN'T WE PUT TOGETHER OUR PROGRAM ONLY AFTER
MOBUTU MADE HIS CHARGES?

A: NO. THE IDEA OF A US BALANCE OF PAYMENTS
ASSISTANCE PACKAGE BEGAN TO TAKE SHAPE IN DISCUSSIONS
WITHIN THE US GOVERNMENT EARLY THIS SPRING.

Q: WHAT ABOUT THOSE MOBUTU CHARGES?

A: THEY WERE BASED ON A MISUNDERSTANDING WHICH HAS
BEEN FULLY CLEARED UP IN DISCUSSIONS BETWEEN OUR TWO
GOVERNMENTS. WE REGARD THE MATTER ASCLOSED. KISSINGER

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